



# Furthering Families

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## *Meeting families' insurance needs*

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An essential part of financial success is ensuring that your family's insurance needs are met. Families may experience many unexpected events in life. Insurance is one way to prevent devastating financial consequences for the family when these unexpected life events happen.

There are a variety of types of insurances available to help you and your family guard against risk. This financial risk is the chance that your family may experience a loss of income or the overwhelming expenses that can occur when something unexpected happens. The best way to combat risk in may be to choose the correct kind and amount of insurance. Exploring your insurance needs is one way to plan for future uncertainty.

When you have a loss of income, discontinuing insurance coverage may seem like an easy way to save a few dollars. However, there are a variety ways to continue insurance coverage, but at a reduced cost, that you may not be aware of.

### **What types of Insurance will my family need?**

There are four main types of insurance that families need:

- Automobile Insurance
- Home Owners Insurance
- Health Care Insurance
- Life Insurance

### **Tips for Stretching Your Insurance Dollar**

Here are some tips for reducing your insurance costs (adapted from *6 Tips for Getting Smart About Insurance* brochure, National Get Smart Week, National Association of Insurance Commissioners):

1. First, stretch your insurance dollar with a "Multiple Policy" discount. Many insurers offer discounts if you have multiple policies with them, including having both your automobile and home insured by the same company or having both you and your spouse's vehicles insured by the same company.

2. Installing the proper safety equipment is another way to reduce your insurance. Ask your insurance agent about any safety features that can lower insurance costs. For example, anti-lock brakes or an alarm on a car will lower your auto insurance premium (A premium is the cost of the insurance, usually payable monthly, quarterly or yearly).
3. A third way to reduce your insurance costs is by being a long-time policy owner. If the same insurance company has covered you for a number of years, ask about a reduced premium. This company values your business, and this is one way to reward you for your commitment to them.
4. Do you lead a healthy life-style? Some insurers take life-style into consideration when determining premiums. The healthier your life-style, the lower the cost of your insurance.
5. Another way to lower your insurance cost is to request a higher deductible on your policy. This may lower your premiums; however, there are consequences to this action. If you need to make a claim, be prepared to pay the higher deductible.
6. Finally, take advantage of all the extra benefits you can on your insurance. Do you belong to an association, union, or credit union that may qualify you for reduced rates? Generally, this benefit will lower your premium by a specific percentage rate. Check with your insurance provider to see if you qualify for a lower rate on your insurance premiums.

There are a variety of ways to help individuals and families with insurance costs. Finding the right program and benefits will ensure that you and your family are getting the right amount of coverage.

Reference: National Association of Insurance Commissioners, 2002, *6 Tips for Getting Smart About Insurance*.

Compiled by: **Erica Tobe**, Associate Program Leader, Family and Consumer Sciences, Michigan State University Extension, 10/2002.

Reviewed by: **Linda Huyck**, Extension Educator, Family Resource Management Area of Expertise Team, Gratiot and Montcalm Counties, Michigan State University Extension; **Elizabeth Kiss**, Ph.D., Family Resource Management Specialist, Purdue University Extension; **Patricia Lamison**, Extension Educator, Family Resource Management Area of Expertise Team, Ingham County, Michigan State University Extension.

